



General Assembly

February Session, 2004

***Raised Bill No. 502***

LCO No. 1835

\*01835\_\_\_\_\_CE\_\*

Referred to Committee on Commerce

Introduced by:  
(CE)

***AN ACT CREATING A SALES TAX EXEMPTION FOR FUEL CELLS  
AND ALL HYDROGEN AND HYDROCARBON FUEL UTILIZING  
MACHINERY.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (113) of section 12-412 of the general statutes  
2 is repealed and the following is substituted in lieu thereof (*Effective*  
3 *from passage*):

4 (113) (A) [Sales] The sale of fuel cells and all other machinery that  
5 exclusively utilizes hydrogen or hydrocarbon fuel in any  
6 noncombustive electro-chemical process, and sales to, and the storage,  
7 use or other consumption by, a fuel cell manufacturing facility in this  
8 state of materials, tools, fuel, machinery and equipment used in such  
9 facility.

10 (B) For purposes of this subdivision, (i) "fuel cell" means a device  
11 that directly or indirectly produces electricity directly from hydrogen  
12 or hydrocarbon fuel through a noncombustive electro-chemical  
13 process, (ii) "machinery and equipment" means tangible personal  
14 property which is installed in a fuel cell manufacturing facility

15 operated by a fuel cell manufacturer, and the predominant use of  
16 which is for the manufacturing of fuel cells, and (iii) "fuel cell  
17 manufacturing facility" means that portion of a plant, building or other  
18 real property improvement used for the manufacturing of fuel cell  
19 parts or components or for the significant overhauling or rebuilding of  
20 such parts or components on a factory basis.

21 Sec. 2. Subdivisions (67) to (69), inclusive, of section 12-412 of the  
22 general statutes are repealed and the following is substituted in lieu  
23 thereof (*Effective from passage*):

24 (67) Sales of and the storage, use or other consumption, prior to July  
25 1, [2004] 2005, of a new motor vehicle which is exclusively powered by  
26 a clean alternative fuel. As used in this subdivision and subdivisions  
27 (68) and (69) of this section, "clean alternative fuel" shall mean natural  
28 gas, hydrogen or electricity when used as a motor vehicle fuel or  
29 propane when used as a motor vehicle fuel if such a vehicle meets the  
30 federal fleet emissions standards under the federal Clean Air Act or  
31 any emissions standards adopted by the Commissioner of  
32 Environmental Protection as part of the state's implementation plan  
33 under said act.

34 (68) Sales of and the storage, use or other consumption, prior to July  
35 1, [2004] 2005, of conversion equipment incorporated into or used in  
36 converting vehicles powered by any other fuel to either exclusive use  
37 of a clean alternative fuel or dual use of any other fuel and a clean  
38 alternative fuel, including, but not limited to, storage cylinders,  
39 cylinder brackets, regulated mixers, fill valves, pressure regulators,  
40 solenoid valves, fuel gauges, electronic ignitions and alternative fuel  
41 delivery lines.

42 (69) Sales of and the storage, use or other consumption, prior to July  
43 1, [2004] 2005, of equipment incorporated into or used in a compressed  
44 natural gas or hydrogen filling or electric recharging station for  
45 vehicles powered by a clean alternative fuel, including, but not limited  
46 to, compressors, storage cylinders, associated framing, tubing and

47 fittings, valves, fuel poles and fuel delivery lines used for clean  
48 alternative fuel storage and filling facilities.

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>

***Statement of Purpose:***

To create a sales tax exemption for fuel cells and machinery that utilizes similar fuel technology and to extend the sales tax exemption for related motor vehicles and equipment.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*